

Appendix G

Prompt Payment Act Letter of Instruction and Desk Reference Guide for Vendor Pay

This guide directs how different kinds of commercial payments are made under the Prompt Payment Act (PPA) and the 1988 amendment to the PPA. These directions are based on the law, the Office of Management and Budget Circular (OMB A-125, Prompt Payment), the Federal Acquisition Regulation (FAR), the Department of Defense FAR Supplement (DFARS), and this regulation.

a. This guide is a chart-form, alphabetized, condensed version of the directives in the above statutes and regulations. It should be reproduced and given to each vendor pay technician. Finance and accounting officers/defense accounting officers will provide a copy of this guide to each outside certifying official as part of the training package for such officials. Courtesy copies should be furnished to contracting officers and receiving activity personnel.

b. The proponent of this guide is the Director, Defense Finance and Accounting Service-Indianapolis Center, ATTN: DFAS-IN/AM, 8899 East 56th Street, Indianapolis, IN 46249-2201. The phone numbers are DSN 699-3035/3250 or commercial (317)-542-3035/3250.

Prompt payment act rules, Interest due vendors

a. Interest due vendors under PPA must be paid. Vendors do not have to ask for interest. If it is owed, pay it. To deliberately not pay interest when payment is due is breaking the law. U.S. Government personnel cannot ask, either directly or through implication, for vendors to waive interest. There are only two ways vendors can waive interest under PPA. They are:

(1) Depositing the U.S. Government check into their own account and issue a check back to the U.S. Government in the amount of the interest they were paid. (In the event this happens, deposit the funds back to the account used to pay the interest.); or

(2) Returning the U.S. Government check with a letter requesting that a new check be issued without the interest included.

b. Vendors cannot submit a general letter asking that interest never be paid. They must use either a.(1) or (2) above for each payment after the payment is made. The U.S. Government cannot ask the vendor to waive interest.

Payments subject to PPA

In general, all payments to private business concerns, individuals outside the Federal Government who provide goods or services to the U.S. Government, and state and local governments are paid under the provisions of the PPA. Specific exceptions are:

a. Payments to other U.S. Government agencies.

b. Payments made to foreign governments, including quasi-government entities, such as government run railroads or utilities.

c. Financing payments under contracts with financing provisions, other than construction and architect-engineer contracts, which are under PPA.

d. Payments under contracts subject to provisions of status of forces agreements or the laws and/or customs of the host country.

e. Payments to utility companies or other organizations governed by tariffs.

f. Payments directed by adjudicating authorities as settlement of claims.

g. Payments made under CHAMPUS.

h. Payments made to our own people, that is, U.S. Government civil service employees or military personnel.

Correct payment due dates

a. There is only one correct payment due date under PPA. Payments made before that due date are early and payments made after that date are late. The goal is to schedule all payments for check issue on the correct payment due date. For contracts issued on or before March 31, 1989, checks issued within 15 days after the due date do not require interest. For contracts issued on or after April 1, 1989, checks issued one or more days after the due date must include interest. Payments made seven or less days before the payment due date are not reported as early payments on the PPA report for contracts issued on or after April 1, 1989 (three days or less on contracts issued on or before March 31, 1989).

b. If the payment due date falls on a weekend or a federal holiday, issue the check on the first business day after the weekend or holiday. The first business day becomes the required payment date. If the required payment date is missed, interest is computed from the day after the "required" date (that is, the first working day after the holiday or weekend). Weekends and holidays are the only times when this rule applies. Acts of God, such as hurricanes or earthquakes, which make it impossible for the paying office to be open, cannot be used to schedule a new required payment date.

c. If electronic fund transfers (EFT) are used instead of issuing checks, the payment information must reach the vendor's financial institution on the payment due date. The "settlement" date is the same as the payment due date. If payment information will reach the vendor's financial institution after the payment due date, interest must be included.

d. Checks must be post marked and mailed the same date they are issued.

e. Unless otherwise stated, all days mentioned in this guide are calendar days, not work days.

The designated billing office

a. The designated billing office is the office designated in the contract to receive invoices. The designated payment office is the office named in the contract to make payments. Most payment period counts start from when the invoice reaches the designated billing office. Vendor pay personnel must always check the procurement document to see who the designated billing office is and not just assume that the payment period count starts when the invoice reaches their office.

b. If the designated billing office does not date stamp or otherwise annotate the invoice with the date it reaches their office, all payment due date are computed from the date the vendor put on the invoice. (Repeat: Only one date is used to compute the due date.) Neither actual nor constructive acceptance is used in this situation. Since many firms issue their invoice at the same time they ship the goods, the date on the invoice may be before goods are delivered. Therefore, it is almost certain interest would be due because payment cannot be made until actual acceptance occurs. Vendor pay personnel date stamp all incoming documents, but they must make sure that designated billing offices outside the paying office understand how important this action is. Any interest which is paid because the designated billing office did not date stamp the invoice is charged to that organization.

Discount payment periods

a. All discount payment periods are computed from the date on the invoice or terms of the contract whichever allows the greatest advantage to the U.S. Government. The payment due date on discounts is the last day of the discount period. If the payment cannot be made by that date, the payment is rescheduled for 30 days and the discount cannot be taken. If there is no date on the invoice, date of receipt in the designated billing office can be used if the invoice is date stamped in. If the vendor makes a definite offer on the invoice, such as 1% if paid by the 10th of the month, the discount can be taken if the payment is made by the specified date. In this case, the discount period would not be computed from the date of the invoice but in accordance with the vendor's specific offer.

b. If the last day of the discount period falls on a weekend or on a Federal holiday, the discount can be taken if the check is issued on the next business day.

c. Vendor pay personnel are expected to go to extraordinary lengths to take big discounts, but it is not cost-effective to devote special handling time to take smaller discounts. All discounts should be taken if they are cost effective, however, small discounts should not be taken if they require extra effort. Report them as discounts offered but not taken. In addition, discount offers not taken because one or more of the necessary documents (contract, receiving and acceptance report, or invoice) to make payment do not reach the vendor pay office in time to pay on the

due date are reported as offered, but not taken due to late receipt of payment documents. This includes any discounts not taken because one or more of the necessary documents do not reach the vendor pay office until after the due date has passed.

Constructive acceptance

a. This concept is used to determine payment due dates if actual acceptance is not performed within seven days and, therefore, when interest starts to accrue. Congress put this concept in the 1988 PPA amendment. It is easier to understand and use if you understand why congress used it.

b. Under the 1982 PPA, due dates were figured from the later of invoice receipt in the proper office or actual acceptance of the goods or services, there were no constraints on how long the U.S. Government could take to accept. A situation developed in which DoD made payments that were technically correct but did not meet congressional intent. For example, if a receiving activity took weeks or months to "accept" goods or services, payment periods started from that date. This resulted in vendors being paid months after delivery or performance, but they were not paid interest. Congress used constructive acceptance to correct this problem.

c. The PPA amendment states that the U.S. Government is not forced to accept goods or services in a specified time and payment cannot be made until that acceptance occurs, but for purposes of determining a payment due date (and, therefore, when interest starts to accrue), acceptance is deemed to occur seven days after delivery or services are completed. (Note: The seven-day constructive acceptance is used for procurement documents awarded on or after April 1, 1989. A five-working-day constructive acceptance period is used on contracts awarded on or before March 31, 1989.)

d. The PPA amendment states that most payment due dates are computed from the later of invoice receipt in the designated billing office or actual or constructive acceptance occurs, whichever is earlier.

e. Two separate receiving dates are used: the date of delivery or completion and the date actual acceptance occurred. Therefore, to compute the correct payment due date, vendor pay personnel must know two dates: (1) the date goods were delivered or services were completed, and (2) the date the receiving activity actually accepted the goods or services as conforming to contract specifications. For example:

(a) Goods are delivered on April 9, constructive acceptance is April 16. The receiving activity accepted the goods on April 12. The invoice is received in the designated billing office on April 20. The earlier of actual and constructive acceptance is April 12, so that date is compared to invoice receipt, April 12, versus April 20. The later of these two dates is invoice receipt, April 20. Therefore, day one of the

payment period is April 21, and the last day is May 20. The check must be issued on May 20, interest starts to accrue on May 21.

(b) Services are completed on June 4, and constructive acceptance is June 11. The receiving activity accepts the services on June 25. The invoice is received in the designated billing office on June 6. The earlier of actual and constructive acceptance is the June 11 constructive date. Therefore, this date compared with invoice receipt, June 11 versus June 6. The later of these two dates is the constructive acceptance date of June 11. Day one of the payment period is June 12, day 30 is July 11. The check must be issued on July 11. Interest starts to accrue on July 12.

(c) It's important to realize that payment cannot be made until actual acceptance occurs, but that interest may be accruing if the receiving activity takes too long to officially accept the shipment or service. If interest results in this situation, charge the interest to the receiving activity which caused the interest to be paid by taking too long to accept.

(d) If receiving personnel put only one date on a receiving report, vendor pay personnel must assume that is the date of delivery or service completion and use that one date to compute constructive acceptance to determine due date. Contracting officers will resolve any disputes from vendors on whether the due date was correct.

Notices to vendors

All payments which include interest must include the following information:

(1) The interest amount being paid shown separately.

(2) The rate used to compute the interest and the number of days interest is computed.

Interest rates and funds

a. The PPA interest rates change each January 1 and July 1. The proponent office issues messages giving the new interest rate.

b. The interest rate in effect on the day after the payment should have been made is used to compute interest. One interest rate is used to compute interest on any one payment, even if the interest period covers different rate periods. (For example, if a payment was due on July 24, 1990 but was not made until February 15, 1991, the interest rate in effect on July 25, is used to compute interest for the whole period, even though the rate changed on January 1.)

b. The rule for what funds to use is different. The fiscal year funds in effect on the dates interest is accrued are used. Therefore, in our example above, FY 90 funds are used to pay interest from July 25 through September 30 and FY 91 funds are used to pay interest from October 1 through the February 15 payment date.

c. Interest due of \$1.00 or less per invoice (not line item or payment voucher) need not be paid.

d. Interest being paid under PPA continues to accrue only for one year (365 days). Interest being paid under some other statute, such as the Contract Disputes Act of 1978, is paid for whatever length of time directed by the adjudicating authority.

The OMB penalty

a. This penalty is paid in addition to any interest owed. It is a penalty assessed because we did not pay interest when we should have. Vendors have to ask for this penalty; we do not voluntarily pay it. The OMB penalty is only due on payments made on or after January 21, 1990. (Note: The contract issue date is irrelevant). Vendors must abide by the following rules when asking for the penalty:

(1) A payment must have been made on which the vendor believes he/she should have been paid PPA interest.

(2) The vendor must ask for the interest and the OMB penalty in writing within 40 days of the date on the check. Use the postmark on the letter to determine whether the request falls within the 40 days.

(3) The vendor must reference a specific invoice on which he/she believes the interest is due and must attach a copy of the invoice.

Vendor pay tasks when the request is received

a. Recompute the due date on the invoice the vendor submits.

(1) If the vendor is wrong and interest was not owed, write a letter (use a pre-printed fill-in-the-blanks form letter or a computer-generated letter) to the vendor explaining how the due date was calculated and why he/she is not owed interest.

(2) If the vendor is correct and interest should have been paid:

(a) Determine how much interest should have been paid at the time the check was issued.

(b) Compute interest on that amount from the day after the check was issued through the date you expect to issue the interest/penalty check. Use the interest rate in effect on the day after the original payment check was issued.

(c) If the computed amount is \$25 or more (minimum penalty) but less than \$5,000 (maximum penalty), the OMB penalty is the same amount as the interest computed in (b) above because the OMB penalty is 100% of the interest owed.

b. First example:

(1) The amount that should have been added to the check at the time it was issued is \$30.00.

(2) \$5.00 Interest has accrued on the \$30 since the payment check was issued. The total interest due is \$35.00. The OMB penalty is also \$35.00. Issue a check for \$70.00 to the vendor.

c. Second example:

(1) The amount that should have been added to the check at the time it was issued is \$10.00. \$1.25 interest has accrued on the \$10.00. Since the payment check was issued--total interest due is \$11.25. The minimum OMB penalty of \$25.00 is due. Issue a check for \$38.25.

d. Third example:

(1) The interest amount that should have been paid at the time the check was issued is \$5,000. The interest that has accrued on that amount since the check was issued is \$350.00. Total interest due is \$5,350.00. The maximum OMB penalty of \$5,000.00 is due. Issue a check for \$10,350.00. The number and dollar amount paid for OMB penalties are reported separately on the PPA report.

Delivery versus acceptance

Delivery and acceptance do not mean the same thing and cannot be used interchangeably.

a. Delivery of goods means the vendor deposited the shipment where he/she was told to do so in the contract. Acceptance of the goods occurs when an authorized U.S. Government representative checks the goods against the contract specifications and says they meet those specifications. Delivery of services occurs on the date the vendor finishes performing the services. Acceptance of the services occurs when an authorized U.S. Government representative inspects the services and says they meet contract specifications. Delivery and acceptance may occur on the same day but, usually, acceptance is a few days after delivery.

b. An authorized U.S. Government representative who is a contract employee because the organization has been "contracted out" can be named in a contract to accept goods or services for the U.S. Government. Logistics regulations direct receiving activities to complete their inspection and acceptance duties, complete any necessary paperwork, and get the documents to the designated payment office within five workdays after delivery or service completion. However, from a vendor pay perspective, receiving reports are "late" for charge back purposes if they reach the vendor pay office after close of business (COB) on the day that is one-half of the payment period. (For example, on a 30-day payment period, the receiving report is late if it arrives at the vendor pay office on or after the 16th day. Of course, vendor pay personnel must try to schedule the payment on the correct payment due date even though the receiving activity got the receiving report to them late, but if they cannot and an interest is due on the payment, the interest amount is charged to the administration and operational funds of the receiving activity.)

Systems transmission of information versus hard-copy supporting documents

a. The Department of Defense (DoD) goal is to automate the complete ordering process. Eventually,

a person will key into a system what he/she wants to buy and send it via interfaces to the funding activity. They will enter information that funds are available and will commit the funds and transmit the information on to the contracting office. Procurement personnel will issue the order and send the information to the paying office and to the receiving activity. The information will be used to establish the official obligation. When the receiving activity receives and accepts the goods or services, they will transmit the information to the contracting office and to the vendor pay office. Vendor pay personnel will enter the invoice into the system (some large businesses are developing the ability to send their invoices electronically) and send the information to the disbursing office. Disbursing will issue an EFT payment to the vendor and will forward the information to accounting, the vendor pay office, and the contracting office to close the procurement. All of this will take place without any pieces of paper being exchanged.

b. Most contracting offices are automated and can interface with the vendor pay office. Many vendor pay offices can now send information to disbursing, who can interface with the accounting system.

c. Going from working with pieces of paper to working with systems is a major change for most paying office personnel. As we phase the ultimate system in, vendor pay personnel must begin to rely on information rather than on the documents themselves. The preferred method of getting procurement, receiving, and invoice information is through Department of the Army (DA) system transmission rather than through hard copy documents. Electronic signatures or passwords are used to authenticate transmissions. If information is received electronically, it is not necessary to print out a hard copy to put into a paper file. Vendor pay personnel may accept facsimile (FAX) transmissions of any necessary supporting documents. Where a signed piece of paper is still required (for example, procurement documents and receiving reports), the signed paper may be kept in the office of origin and not sent to the vendor pay office.

d. There are only two documents which must be sent to DFAS-IN as the disbursing officer money account papers: the original invoice and the original payment voucher. If an invoice is not required to make payment, only the original (first) payment voucher is sent to DFAS-IN. Procurement documents and receiving reports are retained in the paying office retained files. They are not sent to DFAS-IN. Under systems, the original payment voucher is the first copy of the computer-generated SF 1034. If a FAX invoice or a system-to-system invoice is used, the copy sent to DFAS-IN must be marked systems original.

Prompt Payment Act Desk Reference Guide

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
Adjudicated claims. See Claims						
Advance Payments						
A. Under financing contracts, including advance payments under construction and architect/ engineer contracts.	No. Except construction and architect/ engineer contracts.	7-10 days, except 30 days on construction and architect/ engineer contracts.	Day after an approved, proper payment request reaches the designated billing office. (Note: The designated billing office may be an audit agency or the contracting officer; since the payment request must be approved, the paying office is not usually the designated billing office.)	Interest is due only on construction or architect/engineer contracts; all other financing contracts are exempt from PPA and interest.	A payment request, not an invoice.	Construction and architect/engineer advances are reported under subject to PPA. all others are reported under total disbursements only.
B. Advance payments for subscriptions.						
(1) When the check is to accompany the order for the subscription.	No.	As soon as possible after the order reaches the FAO/DAO.	When the order reaches the FAO/DAO.	No.	Use the subscription request as the invoice.	Reported under total disbursements only.
(2) When the order has been sent without a check and the vendor sends an invoice.	Yes.	30 days.	The day after the invoice reaches the designated billing office.	Interest is computed from the 31st day through the date the check is issued.	Yes.	Reported under disbursements subject to PPA.
(Note: These are advance payments because payment is made before all issues of the subscription are received. Use an "Exception" type receiving report by obtaining confirmation from the ordering organization that the subscription has started and that they will tell you if there are any problems with the subscription. With this method, do not obtain a receiving report at the end of the subscription.)						
C. Advance payments for tuition or training.						
(1) If payment is required before the class (meeting, or seminar) begins.	No.	Check must reach the training organization before the class (meeting) begins. These are not early payments.	As soon as the paying office receives a proper request, usually a DD Form 1556 for both military and civilians. If the cost of the training for any one course (class/meeting) is \$25,000 or less, a contract is not necessary. Courses of \$25,001 or more require a contract.	No.	No.	Reported under total disbursements only.
(2) If payment is made after classes (meetings) begin but before they are completed.	Yes.	30 days.	Day after the invoice reaches the designated billing office.	Yes. Interest is computed from the day after the payment due date through the date the check is issued.	Yes	Reported under disbursement subject to PPA.
(3) Payments made after classes (meetings) are completed are not advances. They are treated as "Regular" 30-day payments.	Yes.	30 days.	From the day after the later of: (1) Invoice receipt in the designated billing office, or (2) The earlier of actual or constructive acceptance (Note: Constructive acceptance is the 7th day after the session ends.)	Interest is computed from the day after the payment due date through the date the check is issued.	Yes.	Reported under disbursements subject to PPA.

Prompt Payment Act Desk Reference Guide (Continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
Advertising payments, such as in newspapers, magazines, on TV or radio.	Yes.	30 days.	From the day after the later of: (1) Invoice receipt in the designated billing office, or (2) The earlier of actual or	Interest is computed from the day after the due date through the date the check is issued.	Yes. (Note: Invoices may be sent to the project officer; that office	Reported under disbursements subject to PPA.

			constructive acceptance. (Note: Constructive acceptance is the 7th day after the ad appeared if a single ad is being paid for. Constructive acceptance is the 7th day after the end of the billing period if a fee is being charged for all ads run or broadcast during a specified period.)		then becomes the designated billing office.)	
After-the Fact ratifications.	Yes.	30 days. (Note: If the U.S. Government is responsible for the need to ratify and since the vendor has usually waited quite some time for payment while the ratification process took place, these payments are made as soon as possible and are not reported as early payments.)	The day after the contracting officer signs the procurement document, if goods or services have been delivered and accepted. (Note: Acceptance has usually occurred, which is one of the reasons the contracting officer issues the ratification.)	Interest is due from the 31st day after acceptance through the day the check is issued.	Yes. (Note: The invoice has usually been in the paying office since delivery or service completion; the invoice is usually what triggers the ratification process.)	Reported under disbursements subject to PPA.
Agricultural products, such as fresh fruits and vegetables	Yes.	10 days.	From the day after the date of delivery.	Interest is computed from the day after the payment due date through the date the check is issued.	Yes. Use a delivery ticket, stamped by the receiving activity with fill-in-the blank information and signed, as both the invoice and receiving report.	Reported under disbursements subject to PPA.

Prompt Payment Act Desk Reference Guide (Continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
Apprehension/ confinement payments: (1) Rewards (Note: Either a reward or reimbursement for actual apprehension costs can be paid, not both. The maximum reward is \$50; the maximum reimbursement is \$75.) Persons not eligible for rewards: A. Federal employees B. Persons who just	Yes. (Note: Federal employees (civilian and military) are not entitled to rewards for apprehending and detaining absentees, deserters, or escaped military	30 days.	Day after the military or federal law enforcement officer approves the payment.	Interest is computed from the day after the payment due date through the date the check is issued.	No. A signed, dated approval document from the military or federal law enforcement officer serves as both the authorizing document and the receiving report.	Reported under disbursements subject to PPA.

give information to prisoners.)
others.
C. Anyone who merely
influences the person
to surrender.

(2) Confinement costs.	Yes, unless to another Federal agency or to a Federal employee.	30 days. Not later than 15 days to another Federal agency.	Day after the later of: (1) A payment request is received by the military or Federal law enforcement agency, or (2) The prisoner is turned over to military or Federal law officers.	Interest is computed from the day after the payment due date through the date the check is issued.	A request for payment, approved and signed by the approving military or Federal law enforcement officer, can serve as both the invoice and receiving report.	Reported under disbursements subject to PPA.
Arbitrator/attorney fees.	Yes, unless to another Federal agency or to a Federal employee.	30 days. Within 15 days to another Federal agency.	The day after the later of: (1) The invoice is received in the designated billing office, or (2) The legal services are completed.	Interest is computed from the day after the payment due date through the day the check is issued. (Note: Interest is not due to another Federal agency.)	Yes. The project officer (such as the EEO officer, the JAG, the CPO) can approve payment on the invoice.	Reported under disbursements subject to PPA unless payment is to a Federal employee or agency; if so, reported under total disbursements only.

Prompt Payment Act Desk Reference Guide (Continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
Architect-engineer (A&E) contracts which contain FAR Clause 52.232-10, payments under fixed price architect-engineer contracts. (Note: See advance payments for making advance payments under A&E contracts.)						
A. Progress payments on A&E contracts.	Yes.	30 days.	The day after the approving authority (usually the contracting officer) approves the contractor estimate of completed work or services. (Note: Approval is deemed to have occurred on the 7th day after the payment estimate (request) is received in the designated billing office. The contracting officer may specify a longer acceptance period in the	Using constructive approval, interest is computed from the 30th day after the payment request reached the designated billing office, unless the contracting officer put a longer acceptance period in the contract.	Payment estimate or request rather than an invoice.	Reported under disbursements subject to PPA.

			contract.)			
B. Partial payments on A&E contracts for work or services completed before the close of the contract.	Yes.	30 days.	On the day after the later of: (1) Invoice receipt in the designated billing office or, (2) Work or service is accepted. (Note: Acceptance is deemed to have occurred 7 calendar days after the contractor completes the work or service. The contracting officer can specify a longer acceptance period in the contract.)	Interest is computed from the 31st day after the later of (1) or (2) in the previous column through the date the check is issued.	Yes.	Reported under disbursements subject to PPA.
C. Final payments on A&E contracts.	Yes.	30 days.	On the day after the later of: (1) Invoice receipt in the designated billing office or (2) U.S. Government acceptance of the completed work. (Note: Acceptance is deemed to have occurred on the effective date of the settlement (the date the contracting officer signs the contract as complete.)	Interest is computed from the 31st day after the later of (1) or (2) in the previous column through the date the check is issued.	Yes.	Reported under disbursements subject to PPA.

Prompt Payment Act Desk Reference Guide (continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
Payments under assignment of claims. (Note: Under assignments, contractors have assigned all payments due under a contract to a financial institution. Once the notice of assignment is received in the finance office, all payments are payable to the assignee; no payment can be sent to the contractor.)	Yes, if the assigned contract was subject to PPA	30 days.	On the day after the later of: (1) Invoice receipt in the designated billing office or, (2) U.S. Government acceptance of goods or services (actual or constructive acceptance, whichever is earlier.)	Interest is computed from the 31st day after the later of (1) or (2) in the previous column through the date the check is issued.	Yes.	Reported under disbursements subject to PPA if assigned contract was subject to PPA.
Awards to military personnel.	No.	As soon as possible after receiving authorizing documents. (Note: 20% of the award is withheld for taxes; a W-2 must be prepared.)	There is no "clock" however, if a ceremony is scheduled to present the check to the soldier, the check is issued in advance and given to the person who will present the award.	No.	No.	Reported under total disbursements only.
Payments under contractor bank-ruptcy. (Note: Contact the DFAS-IN legal office for advice on payments to bankrupt vendors. In most cases, payments are made to the trustee or debtor in possession.)	Yes, if original contract was under PPA.	30 days.	From the day after the later of: (1) Invoice receipt in the designated office, or (2) Actual or constructive acceptance, whichever is earlier.	Yes, if original contract was under PPA. Interest is computed from the 31st day after the later of (1) or (2) in previous column through date the check is issued.	Some kind of payment request or directive from the bankruptcy court is needed.	Reported under disbursements subject to PPA if contract was under PPA.
Billing period payments, such as:	Yes.	Payment period should be in the	The day after the later of the two following events:	Yes. Interest is computed from the	In some instances; in	Reported under disbursements

(1) Blanket purchase agreements (BPAs). (2) Basic ordering documents (BODs). (3) Maintenance services. (4) Copiers. (6) Household goods storage. (7) Credit cards and so forth.	procurement document, such as monthly, quarterly, and so forth. Unless there are specific terms (such as Net 10, or 15th day after billing period), these are 30 day payments. Payment is for all goods delivered during the billing period. Use receiving reports to determine what was delivered.	(1) The end of the billing period, or (2) Invoice receipt in the designated office (if an invoice is required). (Note: Acceptance of goods or services is to take place during the 30 days after the end of the billing period. It is standard business practice to pay billing period payments within 30 days.	day after the later of (1) or (2) in the previous column through the date the check is issued.	others, an invoice subject to PPA. is not required. See contract to see which is true for individual payments. (Note: Exception receiving report procedures should be established with the receiving or approving activity (see the introduction). Once this procedure is established, pay the invoiced amount if an invoice is required or pay a recurring amount without an invoice.)
--	---	--	--	--

Prompt Payment Act Desk Reference Guide (Continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
Billing period payments, such as: (1) Blanket purchase agreements (BPAs). (2) Basic ordering documents (BODs). (3) Maintenance services. (4) Copiers. (6) Household goods storage. (7) Credit cards and so forth.	Yes.	Payment period should be in the procurement document, such as monthly, quarterly, and so forth. Unless there are specific terms (such as Net 10, or 15th day after billing period), these are 30 day payments. Payment is for all goods delivered during the billing period. Use receiving reports to determine what was delivered.	The day after the later of the two following events: (1) The end of the billing period, or (2) Invoice receipt in the designated office (if an invoice is required). (Note: Acceptance of goods or services is to take place during the 30 days after the end of the billing period. It is standard business practice to pay billing period payments within 30 days.)	Yes. Interest is computed from the day after the later of (1) or (2) in the previous column through the date the check is issued.	In some instances; in others, an invoice is not required. See contract to see which is true for individual payments. (Note: Exception receiving report procedures should be established with the receiving or approving activity (see the introduction). Once this procedure is established, pay the invoiced amount if an invoice is required or pay a recurring amount without an invoice.)	Reported under disbursements subject to PPA.
Blanket Purchase Agreements. See Billing Period Payments.						
Brand name products for authorized resale (Mostly commissary items).	Yes.	Usually 30 days; however, see agricultural, dairy, meat, and mixed payments. Contracting officers should put specific due dates in these contracts which are IAW the public law.	From the later of (1) Invoice receipt in the designated billing office, or (2) Government acceptance, actual or constructive. (Note: Contracting officers cannot put an acceptance period longer than 7 calendar days.)	Interest is computed from the day after the later of (1) or (2) in the previous column through the date the check is issued.	Invoice or delivery ticket.	Reported under disbursements subject to PPA.
Car rental payments. See transportation payments.						

Cash awards to military. See awards.

Cash payments. See SF 44 payments.

Charge card payments. See billing period payments.

Prompt Payment Act Desk Reference Guide (continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
Classified procurement documents. As long as there is enough information to determine who the payee is and there is an authorizing statement (such as the U.S. Statute which allows the procurement), these are handled like any other procurement. Most of these will come under PPA, some will not.						
Claims.	Yes.	30 days. Pay Federal employees as soon as possible, usually in 5 to 10 days.	Day after receipt of a properly adjudicated claim.	Yes, interest is due from the day after the payment due date through the date the check is issued.	No, payment is made on a SF 1034 and authorization for payment from the claim officer.	Report under disbursements subject to PPA.
Classified payment vouchers. These payments are processed differently, but are under PPA or not depending on who the payee is. If the payee is listed as an exception in the section on payments subject to PPA in the introduction, all payments are not under PPA.						
Clothing allowances for military and civilian:						
A. For civilians who are directed to wear military clothing.	No.	As soon as possible, normally within 5 to 10 days.	Day after the request is received in the paying office.	No.	No. Documents required are: (1) A statement from the commander who directed the civilian to buy military clothes, and (2) A paid receipt from the civilian for the purchased clothes.	Reported under total disbursements only.
B. For military who are authorized a civilian clothing allowance.	No.	As soon as possible, normally within 5 to 10 days.	Day after the request is received in the paying office.	No.	No, the same documents given in 'A' above are required.	Reported under total disbursements only.

Prompt Payment Act Desk Reference Guide (continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
C. For civilians who are authorized a clothing allowance, such as firefighters, guards, and so forth.	No.	As soon as possible, normally within 5 to 10 days.	Day after the request is received in the paying office. Note: These are paid quarterly, in advance of the quarter.	No.	No. Documents required are: (1) An approved SF 1034, and (2) An authorization state-ment from the supervisor.	Reported under total disbursements only.
D. Maternity uniforms for enlisted personnel. (Note: Enlisted soldiers are entitled to a maternity uniform allowance every 3 years. Send a copy of the payment voucher to the military pay section for input as an annotation of the soldier's LES.) The allowance is paid to the soldier in advance. She does not have to provide a paid receipt.	No.	As soon as possible, normally within 5 to 10 days.	Day after the request is received in the paying office.	No.	No. Documents required are: (1) SF 1034 prepared by company commander. (2) Doctor's statement that soldier is pregnant. (3) A copy of soldier's latest LES to show she has not had the allowance in 3 years.	Reported under total disbursements only.
Construction contracts FAR Clause 52.232-5, payments under fixed-price construction contracts. (Note: Also see advance payments.						
A. Progress pay-ments, including payments for reaching milestones in any project.)	Yes.	14 days. The contracting officer can specify a longer time, with justification.	The day after the pay-ment request reaches the designated billing office. (Note: DCAA may be the approving authority instead of the contracting officer.)	Interest is computed from the day after the payment due date through the date the check is issued.	Payment request, not an invoice.	Report under disbursements subject to PPA.
B. Partial payments for partial work accepted by the U.S. Government, such as each separate building, public work, or other division which has a price stated separately in the contract.	Yes.	30 days.	The day after the later of: (1) The date the invoice is received in the designated billing office, or (2) Actual or constructive acceptance (Note: Constructive acceptance is 7 calendar days after the contractor has completed work. The contracting officer can put a longer period in the contract.)	Interest is computed from the day after the payment due date through the date the check is issued.	Yes.	Reported under disbursements subject to PPA.
C. Retained amounts, based on the contracting officer determination that the contractor has made satisfactory progress.	Yes.	30 days.	The day after the date the contracting officer approves the payment.	Interest is computed from the day after the payment due date through the date the check is issued.	Payment request or invoice.	Reported under disbursements subject to PPA.

Prompt Payment Act Desk Reference Guide (continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
D. Final payments, based on completion and acceptance or all work; payment includes any retained amount.	Yes.	30 days.	The day after the later of: (1) The invoice is received in the designated billing office, or (2) Government acceptance of the completed project. (Note: U.S. Government	Interest is computed from the day after the payment due date through the date the check is issued.	Yes.	Reported under disbursements subject to PPA.

acceptance is the effective date of the settlement (usually the date the contracting officer signs the contract as complete.))						
Contract financing payments. See financing payments.						
Copiers. See billing period payments.						
Credit card payments. See billing period payments.						
Dairy product payments. Includes all refrigerated and nonrefrigerated products made from milk (such as cheeses) and products made from edible fats and oils, such as salad dressings.	Yes.	10 days.	From the date the invoice is received in the designated billing office.	Interest is computed from the day after the payment due date through the date the check is issued.	Yes, A delivery ticket is the preferred invoice. (Note: If stamped and signed by the receiving unit, the delivery ticket serves as both the invoice and the receiving report.)	Reported under disbursements subject to PPA.
Delivery orders issued against basic contracts.	Yes, if the basic contract is under PPA.	IAW the basic contract. If the basic contract is silent, 30 days.	The day after the later of: (1) Invoice receipt in the designated billing office, or (2) Actual or constructive acceptance.	Interest is computed from the day after the payment due date through the date the check is issued, if the basic contract is under PPA.	Yes, if the basic contract required an invoice.	Reported as disbursements subject to PPA if the basic contract is under PPA.
Demurrage on cylinders. These are usually billing period payments of set amounts; they are paid without invoices and can use exception receiving report procedures. See billing period payments.						

Prompt Payment Act Desk Reference Guide (Continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
Dependent education in overseas location. (Note: Contracts to educate dependents of soldiers and civilians in foreign countries must have a statement that the Secretary of the Army has found that the available schools are unable to adequately educate dependents.)						
A. Payments to the schools.	Yes.	30 days.	When payment request reaches the paying office.	Interest is due from the day after the payment due date through the date the	Yes. Invoice must show name, SSN of the student and the parent.	Reported under disbursements subject to PPA.

				check is issued.		
B. Reimbursements for room and board away from student's domicile.	No.	As soon as possible, normally within 5 to 10 days.	When request for reimbursement reaches the paying office.	No.	A request for reimbursement accompanied by proof charges have been paid.	Reported under total disbursements only.
Military or U.S. Government civilian employees -- also see reimbursements for personal funds.	No.	As soon as possible, normally within 5 to 10 days.	When request reaches the paying office.	No.	Request for payment or reimbursement documents that show personal funds were spent (paid receipts, charge slips, canceled check, and so forth). Approval by commander or supervisor showing the necessity for the purchase.	Reported under total disbursements only.
Environmental payments to non-Federal Government agencies.	Yes.	30 days.	From the day after the later of: (1) Invoice receipt in the designated billing office, or (2) An authorized individual approves the payment.	Interest is computed from the day after the payment due date through the date the check is issued.	Yes. (Note: The approving official can stamp/sign approval on the invoice.)	Reported under disbursement subject to PPA.
Equipment rentals/leases. See billing period payments. Use exception receiving reports for payment of both differing and the same amounts.						

Prompt Payment Act Desk Reference Guide (continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
Fast payment contracts (Note: Fast payment contracts are paid based on receipt of invoice and the vendors proof of shipment, before receiving activities confirm delivery. You must get confirmation receipt after payment.) Note: Contracting officers can issue fast payment contracts only when all of the following are true: (1) Individual orders do not exceed \$25,000; (2) There is both a geographical separation and a lack of communication facilities between the disbursing and receiving offices; (3) The contractor agrees to replace,	Yes.	15 days.	When the invoice reaches the designated billing office.	Interest is computed from the day after the payment due date through the date the check is issued.	Yes.	Reported under disbursements subject to PPA.

repair, or correct damaged, missing, or incorrect shipments. contractor agrees to replace, repair, or correct damaged, missing, or incorrect shipments.						
Financing payments, other than those made under construction and A&E contracts. (See construction and A&E.)	No.	7-30 days. (Note: The contracting officer can put a specific due date in the contract of no less than 7 nor more than 30 days.)	Upon receipt in the designated billing office. (Note: If the contract requires an audit or other review of a specific financing request, the paying office is not required to make payments by the date specified in the contract.)	No.	Payment request required.	Reported under total disbursements only.
Includes: (1) Advance payments (Also, see advances). (2) Progress payments based on costs under FAR Clause 52.232-16, progress payments. (3) Progress payments based on a percentage or stage of completion. (4) Interim payments on cost-type contracts.						

Prompt Payment Act Desk Reference Guide (Continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
Food payments -- See agricultural, dairy, fish, or meat payments.						
Foreign vendors. (NOTE: Foreign governments or quasi-government contracts subject to bilateral agreement or memorandum of understanding are not subject to the PPA.)	Yes.	30 days.	The day after the invoice reaches the designated billing office.	Yes, compute interest from the day after the payment due date through the date the check is issued.	Yes.	Reported under disbursements subject to PPA.
Freight payments -- also see transportation payments. (1) Bills for small packages, such as United Parcel Service (UPS), Federal Express, and so forth.						
(A) Paid with invoice.	Yes.	30 days.	Day after the invoice is received in the designated billing office.	Interest is computed from the day after the payment due date through the date the check is issued.	Yes.	Reported under disbursements subject to PPA.
(B) Paid at the time of delivery, usually from the imprest fund.	No.	N/A	N/A	N/A	N/A	Reported under total disbursements only.
(2) From the Post Office (USPS).	No.	15 days.	Day after the invoice is received in the designated billing office.	No.	Invoice or delivery ticket.	Reported under total disbursements only.
(3) Freight charges on contracts. (Note: If freight charges exceed the amount specified in the contract or an FOB						

other contract does not estimate a dollar amount for freight, you should contact the funds control official who is monitoring funds and request a written approval to pay the freight charge. If the charge exceed \$100 or 10% of the contract total, whichever is less, a contract modification is required.)

Prompt Payment Act Desk Reference Guide (Continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
(A) FOB other.	Yes.	30 days. (Note: Freight charges are usually paid with the payment for goods but can be paid later.)	Day after the later of: (1) Invoice reaches the designated billing office, or (2) Actual or constructive acceptance occurs.	Interest is computed from the day after the payment due date through the date the check is issued.	Yes. (Note: Freight charges may be a line item on the invoice for goods or may be submitted as a separate invoice.)	Reported under disbursements subject to PPA.
(B) FOB destination. Contractors ship goods at their own expense and are not reimbursed by the U.S. Government. Fuel payments -- also see billing period payments for charge-card payments.	Yes.	30 days.	The day after the later of: (1) Invoice receipt in the designated billing office, or (2) Actual or constructive acceptance. (Note: See billing period payments for how to pay gasoline credit cards.)	Interest is computed from the day after the payment due date through the date the check is issued.	Yes.	Reported under disbursements subject to PPA.
<p>(Note: These instructions apply to all payments to non-U.-S. Government business concerns, whether purchased by credit card, DFSC contracts or locally issued contracts.)</p> <p>Note: Federal excise taxes are paid and a refund is requested from IRS for that part of the fuel that is used: (1) On federal land (non-highway). (2) In boats (3) In war machines, including aircraft. (4) In non-vehicle motors.</p> <p>(Note: USPFOs are not subject to the tax but some vendors may insist on receiving it. If so, USPFOs file for refund to IRS.)</p>						
U.S. Government agencies.	No.	15 days.	Upon receipt of the bill in the designated billing office.	No.	Yes. (Note: The invoiced amount is paid and is	Reported under total disbursements only.

reconciled after the payment. Any discrepancies are offset against a future bill.)

U.S. Government bill of lading --See transportation payments.

Prompt Payment Act Desk Reference Guide (Continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
Government travel system (GTS) and LOPA payments -- See transportation payments.						
Handling charges. These are paid like freight charges on contracts.						
Honorariums or fees.						
<p>(Note: Payments over \$250 must be approved by the MACOM Chief of Staff for requests from installations or by the Vice Chief of Staff of the Army or the Director of the Army Staff for MACOM/DA staff level requests.)</p>						
(1) When paid at the time of the speaker's presentation.	No.	The check is cut before the presentation and given to the U.S. Government employee who is to pre-send it to the speaker. The speaker signs the voucher to signify receipt. The best voucher to use is the SF 44.	N/A	No.	No. However, the U.S. Government employee who gives the check to the speaker must obtain the speaker's signature and return the signed voucher to vendor pay.	Reported under total disbursements only.
(2) When paid on an invoice which is received after the presentation.	Yes.	30 days.	Day after the later of: (1) Invoice is received in the designated billing office, or (2) Acceptance.	Interest is computed from the day after the payment due date through the date the check is issued.	Yes.	Reported under disbursements subject to PPA.
Household Goods Storage . See transportation payments.						
Household Goods Claims. See claims.						
Instructions. See tuition/training payments and Junior ROTC instructions.						
Invoice payments in general; will apply to most procurement documents.	Yes.	30 days.	The day after the later of: (1) Invoice receipt in the designated billing office, or (2) Actual or constructive acceptance.	Interest is computed from the day after the payment due date through the date the check is issued.	Yes.	Reported under disbursements subject to PPA.

Prompt Payment Act Desk Reference Guide (Continued)

TYPE PAYMENT	SUBJECT	PAYMENT	CLOCK STARTS	INTEREST DUE	INVOICE	PPA REPORT
--------------	---------	---------	--------------	--------------	---------	------------

TO PPA		PERIOD	REQUIRED			
Janitorial services. See billing period payments.						
Junior ROTC instructors at schools.	Yes.	30 days.	The day after proper documents are received from the school in the designated billing office. Necessary documents are: (1) Two copies of a completed SF 1034. (2) An authenticated copy of the document from MIL PAY furnishing pay figures to the school. (Note: Schools should submit these requests at regular intervals; however, they are not to submit requests more often than once a month.)	Interest is computed from the day after the payment due date through the date the check is issued.	No. See note in clock starts column. (Note: Before payments are made, there must be on file an authenticated copy of DA 3126, Application and Agreement for Establishment of a Junior Reserve Officers Training Corps Unit.)	Reported under disbursements subject to PPA.
(Note: Retired military personnel employed by schools as instructors or administrators of the ROTC program are paid by the school. The school may pay them any salary they choose. However, the U.S. Government will reimburse the school for an amount that equals one-half the difference between the military retiree's retired pay and any active duty pay and allowances that she/he should earn if called back to active duty. Military pay personnel furnish the figure to the school so the school can bill the U.S. Army.)						
Leases. See property leases and billing period payments.						
Library materials. These materials can be paid for in advance. See advance payments for subscriptions.						
Local Governments.						
(1) Payments to State and local Governments.	Yes.	30 days.	The day after the later of: (1) Invoice receipt in the designate billing office, or (2) Actual or constructive acceptance.	Interest is computed from the day after the payment due date through the date the check is issued.	Yes.	Reported under disbursements subject to PPA.
(2) National Guard payments on State contracts. See National Guard/State contracts.						
LOPA payments. See transportation payments.						
Maintenance contracts. See billing period payments.						
Maternity uniforms. See clothing allowances.						

Prompt Payment Act Desk Reference Guide (Continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
Meat and meat-food products from any source, including grocery stores. Examples are: (1) Fresh or frozen poultry. (2) Chilled or frozen meats. (3) Processed meats, such as lunch meat, frankfurters, ham,	Yes.	7 days.	From delivery.	Interest is computed from the day after the payment due date through the date the check is issued.	Yes; the delivery ticket is the preferred invoice. (NOTE: If you use the delivery ticket as an invoice, you must ensure all the information required on the invoice is included on the	Reported under disbursements subject to PPA.

bacon. (4) Fresh eggs from any type fowl. (5) Egg products.					delivery ticket.)	
Media payments. See advertising payments.						
Medical payments to non-U.S. Government health care professionals or facilities (Note: An IRS Form 1099 is required in January for cumulative payments made to healthcare professionals and facilities if payments reached or exceeded \$600 to one person, partner-ship, or corporation in the same calendar year.)	Yes.	30 days.	The day after the date medical entitlement personnel approve the bill as a U.S. Government bill (as opposed to a bill the individual who received the care must pay for emergency medical care). Bills for pre-approved medical services must be paid 30 days after the invoice reaches the designated billing office.	Interest is computed from the day after the due date through the date the check is issued.	Invoice is required; it is usually the document sent to the medical entitlement approving authority.	Reported under disbursements subject to PPA.
Meeting attendance. See advance payments, tuition/training.						
Mixed food orders, such as one payment which covers 7-day items, 10-day items, and 30-day items.	Yes.	All items are due payment according to the items mandated due date. Items paid early will be reported as early payment and items paid late will include PPA interest with the payment and reported in the PPA report.	The day after: (1) Invoice receipt in the designated billing office, or (2) Delivery depending upon type of products.	Invoice is computed from the day after the items payment due date through the date the check is issued.	Yes. Delivery tickets signed by the receiving unit are used as both invoices and receiving reports.	Reported under disbursements subject to PPA.
National Guard/State contracts (1) Contracts issued by State and paid with State funds.	No.	As specified in the contract or as determined in the USPFO.	N/A.	No.	Yes.	Reported under total disbursements only.

Prompt Payment Act Desk Reference Guide (Continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
(2) Contracts issued by Federal contracting officers in their capacity as Federal employees and paid with Federal funds	Yes.	30 Days	The day after the later of: (1) Invoice receipt in the designated billing office, or (2) Actual or constructive acceptance.	Computed from the day after the due date through the date the check is issued.	Yes.	Reported under disbursements subject to PPA.
Notary public fees for employees who must use a notary for their jobs.	Yes.	30 Days	Day after approved request reaches the FAO/DAO.	Computed from the day after the due date through the date the check is issued.	No. Required documents are prepared approved SF 1034 and a written statement from employee's supervisor stating that it is a requirement for the job.	Reported under disbursements subject to PPA.
Official documents required for investigations:						

(1) If paid in advance.	No.	Checks or cash are given to the investigator who will buy the documents. The investigator gets a signed, dated receipt from the official from whom she/he buys the documents and returns it to the FAO/DAO.	N/A	No.	No. The signed receipt is returned to finance.	Reported under total disbursements only.
(2) If paid by invoice.	Yes, unless payment is to another Federal government agency.	30 days. (15 days to another Federal Government agency).	The day after the later of: (1) Invoice receipt in the designated billing office, or (2) Receipt of documents.	Yes, unless payment is to another Federal Government agency. Interest is computed from the day after the payment due date through the date the check is issued.	Yes.	Reported under disbursements subject to PPA.
Personal property shipments. See transportation payments.						

Prompt Payment Act Desk Reference Guide (continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
Postage (the pay-as-you-go postage program is for the decentralized purchase of postage).	No.	Advance payment: (1) A check is given to the authorized U.S. Army employee to take to the post office for the purchase, or (2) A check is sent to the servicing Postmaster for deposit into a post office account; purchases are made against the account by the authorized U.S. Army employee.	When request is received in the paying office from the authorized U.S. Army employee (usually a postal official).	No.	No. The person purchasing the postage must get a signed, paid receipt from the post office if option (1) in the payment period column is used. The receipt is kept by the mail manager; it does not have to be returned to the FAO/DAO.	Reported under total disbursements only.
Professional society memberships, or fees for test for medical personnel.	No.	As soon as possible after the request reaches the paying office. There may be time constraints on testing fees, which must reach the organization	When the request reaches the paying office.	No.	No. Documents required are: (1) Notice from the organization on upcoming test or a brochure on the professional society which lists its fees, and	Reported under total disbursements only.

		before the DoD employee can take a scheduled test.			(2) An approval from the employee's supervisor that the membership or test will benefit the U.S. Government and that the specified employee must take the test or be a member.	
Property leases. (When the U.S. Government is leasing property from a private owner).	Yes.	30 days (these are usually billing periods, such as month-ly, quarterly). (Note: These payments are made in arrears of the billing period, not in advance of the billing period; most of them are for 30 days after the end of the billing period.)	At the end of the billing period.	Interest is computed from the day after the payment due date through the date the check is issued.	No. An exception type receiving report is used.	Reported under disbursements subject to PPA.

Prompt Payment Act Desk Reference Guide (Continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
Quarterly payments. See billing period payments.						
Ratification of contracts. See after-the-fact ratification.						
Recruiting duty. Recruiters can be reimbursed for personal funds they spent for official reasons; see reimbursements for personal funds.						
Recurring payments. See billing period payments.						
Reimbursements for personal funds used on official business. (Note: Other than recruiting duty and reconnection expenses when a military is moved at the direction of the U.S. Army, personal funds must have been spent under urgent and unforeseen circumstances.)	No.	As soon as possible.	When documents reach the paying office.	No.	No. Documents required are: (1) SF 1164 with commander or supervisor's approval, and a statement by the claimant that the claim is true and correct and that s/he has not received reimbursement (2) Proof of expenditure, such as canceled checks, personal chargecard slips, or paid receipts.	Reported under total disbursements only.
Rentals/leases. See transportation payments for car rentals, billing period payments for other type						

rentals, and property leases for lease of real property.

Rewards. See apprehension and confinement.

ROTC instructors. See Junior ROTC instructors.

Small parcel payments. See freight.

Prompt Payment Act Desk Reference Guide (Continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
Small purchase chargecard payments.	Yes.	30 days.	Day after the bill is received in the paying office.	Interest is computed from the day after the payment due date through the date the check is issued.	The official invoice is the summary bill sent to the paying office; individual card-holders and approving official's bills serve as receiving reports.	Reported under disbursements subject to PPA.
Standard Form 44 payments: (1) Cash payment at time of purchase.	No.	N/A	N/A. The class a agent pays cash at the time of purchase.	No.	After paying for the purchase, the ordering officer: (1) Has the vendor sign and date the 44 in "Seller" block on copy 1, (2) Gives copy 2 to vendor, and (3) Sends copies 1 & 3 to the paying office.	Reported under total disbursement only.
(2) Check payments on SFs 44.	Yes.	30 days.	Day after the day of purchase. (Note: The ordering officer asks the seller to sign the invoice and return it to him/her. That becomes invoice received in the designated billing office. The ordering officer also accepts the goods at the same time. Therefore, both invoice receipt and acceptance occur at the time when the order officer buys the goods.)	Interest is computed from the day after the payment due date through the date the check is issued.	Yes. The invoice is given to the ordering officer at the time of purchase. The ordering officer must get the invoice and receiving report copies (1 & 3) to the paying office within 15 days after the purchase.	Reported under disbursements subject to PPA.
Payments to State Governments. See local government payments and National Guard State contracts.						
Subscriptions. See advance payments.						

Prompt Payment Act Desk Reference Guide (Continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
Toll fees.						
<p>(Note: These can be cash advances to individuals who must pay the toll fees or a check payment can be made to the Gov-ernment entity to whom the fees are due to cover tolls for a specified time, such as monthly or quarterly.)</p>						
(1) Fees paid in cash, usually from the imprest fund.	No.	N/A	N/A	No.	No.	Reported under total disbursements only.
(2) Check payments to Government entity.	Yes, if non-Federal agency.	30 days (15 days if Federal agency).	<p>The day after the later of:</p> <p>(1) Invoice receipt in the designated billing office, or</p> <p>(2) 7 days after the tolled area was used.</p> <p>(Note: A billing period type payment schedule should be established with the tolling authority if tolled areas are used frequently.)</p>	Yes, unless to another Federal agency. Interest is computed from the day after the payment due date through the date the check is issued.	Yes.	Reported under disbursements subject to PPA, unless payment is to another Federal agency. Payments to other Federal agencies are reported under total disbursements only.
Training/tuition payments. See advance payments.						
Transportation payments:						
(1) Personal property shipments, including packing, crating, drayage, and unpacking charges on a commercial bill of lading or on local contracts.	Yes.	30 days.	When bills reach the transportation officer.	Interest is computed from the day after the payment due date through the date the check is issued.	<p>Documents required are:</p> <p>(1) The U.S. government bill of lading or other contract.</p> <p>(2) The transportation officer's statement that services were performed (usually an approval statement on an SF 1113).</p> <p>(3) The Joint Travel Regulation citation authorizing the move.</p> <p>(4) An explanation of excess weight, if any.</p> <p>(5) Weight verification statement.</p>	Reported under disbursements subject to PPA.

Prompt Payment Act Desk Reference Guide (Continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
(2) Car rentals. (Note: Most travelers charge car rental costs to their Gov-ernment chargecard or pay cash, are reimbursed on their travel voucher, and use the reimbursement to pay the credit card company or reimbursement of their personal funds. However, the procedures given here are for payments directly to the car rental company when the traveler did not have a chargecard or when the car rental company is asking for payment for damages done to their vehicle by a U.S. Government traveler.) (Note: The U.S. government pays the rates negotiated by the Military Traffic Management command with car rental companies for maintenance, lubricants, servicing, additional insurance, or for damage to the vehicle while it was being used for non-business trips.)	Yes.	30 days.	When the invoice reaches the designated billing office, usually the FAO/DAO but sometimes the traveler.	Interest is computed from the day after the payment due date through the date the check is issued. (Note: Interest accrual stops if there is a dispute between the DoD and the car rental company of alleged damages caused by a U.S. Government traveler.)	Yes. The car rental company must attach a copy of the travelers travel orders to the invoice.	Reported under disbursements subject to PPA.
(3) Government bills of lading (GBLs). Note: GBLs are approved by the transportation officer.	Yes.	30 days.	The day after the bill is received by the transportation officer.	Interest is computed from the day after the payment due date through the date of payments.	The GBL (SF 1103A), with a carrier certification statement at the bottom is used as the invoice. Carriers also send an SF 1113 voucher or a computer-generated facsimile of the SF 1113.	Reported under disbursements subject to PPA.

Prompt Payment Act Desk Reference Guide (Continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
(4) Government Travel System (GTS) or LOPA payments for airplane, bus or rail tickets (Note: The chargecard company issues credit on a succeeding bill.	Yes.	30 days.	Day after the bill is received from charge card or commercial company in the travel office.	Interest is computed from the day after the payment due date through the date the check is issued. (Note: The credit	Yes. A print-out accompanied by an SF 1113 (LOPA) or SF 1034 (GTS). The transportation officer approves the SF 1113 or	Reported under disbursements subject to PPA.

They do not issue check refunds.)				card company's bill may have late charges and different due dates; their charges are ignored and PPA rules are applied to each payment.)	SF 1034 as a receiving report and sends it to the paying office.	
(5) Household goods storage.	Yes.	30 days.	These are usually billing period payments; the clock starts from the later of: (1) The end of the billing period, or (2) The invoice is received in the designated billing office.	Interest is computed from the day after the payment due date through the date the check is issued.	Usually; however these can be set up as recurring payments using an exception type receiving report format. In that case, neither an invoice or receiving report is necessary.	Reported under disbursements subject to PPA.
Travel payments. see transportation payments (GTS).						
Tuition/training payments. See advance payments.						
United States -- Government agencies.						
Utilities, such as water, gas, phone and electricity if subject to terms required by other U.S. Government authorities not subject to the PPA.	No.	Due as directed by the utility company. (Note: If the bill requires payment "By" a certain date, the check must reach the utility company on or before that date. These are not reported as early payments.	As defined on the bill.	PPA interest is not required but any late charges assessed by the utility company are paid. These late charges are not reported as interest on the PPA report.	Standard bill used by the utility company.	Reported under total disbursements only.
If acquired through contracts of other written requests.	Yes.	30 days or terms of the contract will prevail.	Day after the invoice reaches the designated billing office.	Interest is computed from the day after the payment due date through the date the check is issued.	Yes. Standard bill used by the utility company.	Report under disbursements subject to PPA.

Prompt Payment Act Desk Reference Guide (Continued)

TYPE PAYMENT	SUBJECT TO PPA	PAYMENT PERIOD	CLOCK STARTS	INTEREST DUE	INVOICE REQUIRED	PPA REPORT
If there is no contract or the contract is silent about payment terms. (Note: The amount invoiced on these bills is paid and receiving activities confirm the amount after the payment. If there is a discrepancy, the amount is offset against the next month's bill. If such an offset is made, furnish an explanation to the utility. For these reasons, the paying	Yes.	30 days.	Day after bill reaches the designated billing office. (Note: Any funds collected from employees who made unofficial long distant phone calls are deposited back into the account from which the phone bill was paid.)	Interest is computed from the day after the payment due date through the date the check is issued.	Yes. Standard bill used by the utility company.	Reported under disbursements subject to PPA.

office should be the
designated billing
office.)
